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S E C R E T SECTION 01 OF 06 SHANGHAI 000400

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SUBJECT: DEMOCRACY FROM HARMONIOUS SCIENCE--VIEWS FROM EAST CHINA

REF: A) SHANGHAI 374; B) BEIJING 620; C) BEIJING 3608); D) 06 SHANGHAI 5783

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CLASSIFIED BY: Kenneth Jarrett, Consul General, U.S. Consulate,
Shanghai, Department of State.

REASON: 1.4 (b), (c), (d)

¶1. (C) Summary: A number of East China contacts associate the current Scientific Development Concept and Harmonious Society ideological formulations with democratization, political reform and civil society. Some believe that President Hu Jintao is feeling the pressure of his second term and is concerned about the legacy he will leave on Chinese politics. Those concerns could drive him to push for greater democratization and reform. At the same time, our contacts note that grassroots pressure for reform is also pushing the national-level agenda to a certain degree. Reforms are first taking the route of intra-party democratization, although a few hold out hope for eventual multi-party democracy. Some who have Hu's ear, including Central Editing and Translation Bureau (CETB) Deputy Director Yu Keping, are pushing him in that direction. Although there appears to be momentum gathering to develop Chinese democracy, leftist criticism, apathy among mid-career officials, and a lingering fear of being branded "China's Gorbachev" could limit the ultimate extent of Hu's reforms. Moreover, some of our contacts believe that a more likely scenario is incremental and limited political reform. End summary.

SDC Plus Harmony Equals Democracy and Civil Society

¶2. (C) During recent discussions with East China contacts, almost all uniformly associated the current ideological doctrines of the Scientific Development Concept (SDC) and Harmonious Society with China's eventual democratization, noting that the concepts of harmony, democracy, and civil society were closely linked. For instance, during a January 22 discussion, Shanghai Party School (SPS) Foreign Affairs Office Head Wang Shaojun said that the key to developing a Harmonious Society was the promotion of a society characterized by rule of law and democracy. During an April 6 discussion, Jiangsu Academy of Social Sciences (JASS) Political Science School President Bian Min said that the current ideology of the Scientific Development Concept with Harmonious Society as its goal was not just about

economic reforms, but political reforms as well, although he cautioned that such reforms would happen very slowly.

¶13. (C) During an April 4 discussion, Shanghai Academy of Social Sciences (SASS) Deng Xiaoping Thought Research Institute Director Xia Yulong said that establishing a Harmonious Society also necessitated establishing a civil society. He explained that in the past, the government took care of everything, but that was increasingly untenable. A Harmonious Society needed a balance between civil society and government. Although in theory China understood that it needed to develop a true civil society, in reality, China had more than 2,000 years of history of governance without civil society and its background was completely different from the United States. Therefore, it would take years to incrementally implement the concept.

¶14. (C) During a January 23 discussion, China Executive Leadership Academy Pudong (CELAP) Professor Liu Jingbei pointed out that the decision on Harmonious Society had also allowed for the establishment of "social organizations." Liu cited Zhejiang as having a particularly active non-government sector and noted that in Wenzhou there were now private organizations that were in the debt collection business. Liu said that county-level officials had a positive view of such social organizations. The key was to ascertain how to standardize the transfer of government functions to the NGO sector while preventing organized crime (hei shehui) from moving into the gap. Liu also believed that it was crucial during the process of transitioning to service-oriented government and devolving functions to the NGO sector to avoid the creation of sclerotic "second government" (er zhengfu) institutions--GONGOs set up by retired or redundant officials who did not represent popular interests but rather served as "the people's nannies" (renmin de popo).

To Live, to Love, to Leave a Legacy

¶15. (C) During a May 8 conversation with the Consul General and
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Pol/Econ Section Chief, Weyerhaeuser China General Manager Zhang Renren said that coming into his second term, President Hu Jintao had become very concerned with his legacy and that was driving his political decision-making. During an April 6 discussion, Nanjing University Professor Gu Su likewise noted that Hu was increasingly concerned with his historical legacy. Gu said that Hu knew that if he did not do anything on political reform and democratization, he would "look worse than [former President] Jiang Zemin" both at home and in the international community.

¶16. (C) According to Zhang, Hu would be unable to implement his ideas until he brought "his own team" to Beijing. Currently, the only person at the central level that was really "his guy" was CCP General Office Deputy Director Ling Jihua. Zhang noted tangentially that Ling was being considered for head of the Organization Department, a position also being offered to Jiangsu Party Secretary Li Yuanchao. If Li did not accept the job, Ling was Hu's fallback choice.

¶17. (C) During a May 16 discussion with Pol/Econ Section Chief, The Carlyle Group chief China representative Luo Yi agreed that once Hu had successfully consolidated power, he would move forward with efforts on political reform. When asked what that meant, Luo said that it would not be overnight democracy but that Hu was genuinely interested in moving in that direction. Moreover, Hu planned to take additional steps on economic reform, rolling back the trend towards protectionism and economic nationalism of the last few years.

No Choice but Reform

¶18. (C) During a March 23 discussion, Professor Gu said that Hu

and Premier Wen Jiabao both believed that pressure from the grassroots level to implement meaningful democratic political reforms was becoming too great to be ignored. Moreover, Gu assessed that the burgeoning middle class and wealthy entrepreneurs were likewise becoming important constituencies that were demanding greater representation. However, both Hu and Wen were very concerned about the reaction from party leftists in the run up to the 17th Party Congress this fall, fearing that a backlash against political reforms could scuttle any future efforts at democratization.

¶9. (C) During a 22 January discussion, Shanghai Academy of Social Sciences Professor Cheng Weili assessed that senior leaders had been left with no other option but to democratize. Cheng was optimistic about the prospects for reforms in the next five years, pointing in particular to the introduction of pilot elections in the party and government where there were more candidates than positions. He stressed that this particular practice would be nationalized by the 18th Party Congress. Cheng also stated that the initial party documents on direct elections for townships and town governments had already been completed and were working their way through the system. He also thought that this reform would eventually necessitate a revision of the state constitution, possibly at the 2012 People's Congress.

¶10. (C) Cheng was critical of the process for local party and government candidate selection, however. He said that local organization departments continued to select most candidates. Cheng doubted that the lack of transparency in candidate selection would be solved anytime soon, noting that the party was still unwilling to relinquish control. However, he added that the fact that elections were being introduced would put some pressure on officials over time to be responsive to the needs of their constituents to ensure they maintained their positions.

¶11. (C) During a March 16 meeting with the CG and Poloff, China Europe International Business School (CEIBS) Executive President and former Chinese Academy of Social Sciences Vice President Liu Ji said that the ultimate goal of Hu, Jiang Zemin, and Deng Xiaoping was democracy. The party understood that in order to remain viable, it needed to remain ahead of the curve on public demand for political reform or risk getting swept aside. Hence, Deng, Jiang, and Hu had all actively sought both to nurture the conditions for public participation and democracy, while at the same time implementing political reforms.

¶12. (S) Gu said that the chief editor for the "Social Sciences

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Weekly"--a friend of his--said that he had received an internal memo from the central Propaganda Department. Beijing had ordered the paper to disallow any criticism of the concept of Marxism. However, the memo continued, it was fine for the paper to publish articles calling for greater democracy. (Note: The "Social Sciences Weekly" is published by the Shanghai Academy of Social Sciences and claims national distribution. Gu occasionally publishes articles in the paper, most recently in March. We do not know if this memo was widely circulated to scholarly media outlets or if it was an isolated case. End note.)

Chinese Democracy: Cleansing the Inner Vessel First

¶13. (C) Our contacts were generally ambiguous on what form China's "democracy" would ultimately take--few held out for a Western-style multiparty democratic system--but were generally in agreement that the first step was the development of intra-party democracy. Professor Liu, for instance, echoed the current party line that the party needed to first learn how to govern itself democratically before it could bring democracy to the general public (Ref C). Liu noted that shows like "Super Girls" (Ref D) were playing an important role in helping train

the average person on how to vote and assessed that it was only a matter of time before people began asking why they could vote for a pop star but not a president.

¶14. (C) Cheng likewise believed that intra-party democracy was the necessary first step. Cheng dismissed the likelihood of multi-party democratic competition in the near term, arguing that the dominance of the CCP made it unrealistic that other parties could compete. However, he did believe it was possible for political pluralism to emerge within the CCP through the establishment of factions within the Party. Cheng predicted that "real" democracy would not come to China until its per capita GDP exceeded USD 3,000.

¶15. (C) During a January 22 discussion, Shanghai Party School (SPS) Foreign Affairs Office Head Wang Shaojun argued that the Party was using intra-party democracy to promote "people's democracy." (Comment: "People's democracy" as used by Wang and SPS Dean Chen Xichun apparently referred to public participation in decision-making. End comment.) Wang added that since most government officials were party members, the promotion of intra-party democracy would make the government more open as well. Instead of simply focusing on party members' duties, for instance, the party was now stressing party members' rights as well. Wang cited reforms within party standing committees at local levels, noting that they were being given more influence in party and government decision making at the county, prefecture, and provincial levels. He explained that in the past, it was common to have the party secretary and his deputies make all the decisions. Now, however, the number of deputy party secretaries was being scaled back to just two, forcing them to cooperate and coordinate more with the party standing committees, where each member had one vote.

¶16. (C) SPS Dean Chen Xichun noted that there was an important intra-party democratic mechanism now in place at the department (chu) level. He said that every three years, the performance of department-level officials was evaluated by the officials' subordinates. If the officials did not meet a "certain threshold," they were forced to change jobs. (Comment: It was not clear if this was a nationwide or Shanghai-specific practice. End comment.) Wang added that the party and government had also begun using a system of "democratic recommendation" (minzhu tuijian) in selecting local officials to help control bad development practices. Wang and Chen acknowledged that there was a need to redefine and clarify how power was distributed in the political system. They explained that the central government was still refining its own distribution of power, so such efforts at the local level would not take place any time soon.

Maybe an "Electric Democracy?"

¶17. (C) Professor Liu Ji said that the party would eventually become internally democratic, paving the way for China itself to be democratic. Liu refused to say exactly what a democratic China would look like, noting that that decision would be up to

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future generations, once they got to that point. It could be multi-party, single party, or some sort of "party-less electronic democracy" (wudang dianzi minzhu) where direct elections were held online without a party structure. When pressed on when China might move along that path, Liu responded that Mao had foreseen the initial stage of Socialism taking 100 years to establish and that by 2049 China would be a democracy.

¶18. (C) Liu also said that the two basic requirements for having democracy were an educated populace (Liu referred to these people as "intellectuals" (zhishi fenzi)) and a majority middle class. He said that democracy would be viable when China had around 500 million college graduates. It was impossible, Liu argued, to suddenly enfranchise large numbers of poor and illiterate--China still had a "70 percent" illiteracy

rate--without throwing the country into chaos (Comment: Liu's "70 percent illiteracy rate" is at striking odds with the central government's claims of 99 percent literacy among adults. End comment.). He noted that democracy in the United States had taken a similar path, with only wealthy male educated landowners being allowed to decide how the country was run in the early stages of the nation.

Recentralize to Democratize

¶19. (C) The Shanghai Party School's Chen Xichun explained that centralism was key to democratization. The idea of democratic centralism said that the party needed to integrate ideas from below and that centralism would occur through the rule of law and would be broad enough to include everyone's contribution. He noted that in order to protect democracy and the party's authority at the local level, Beijing needed to centralize power.

¶20. (C) Professor Gu believed that the recent trend towards recentralization of power was aimed at controlling the provinces and enforcing party discipline in the run-up to the 17th Party Congress. Gu argued that recentralization was not necessarily at odds with increased democracy. He said that Hu and democracy advocates such as CETB Deputy Director Yu Keping were actually in agreement that the best way to promote democracy at the local level was to maintain tight control at the top for the time being.

Yu Keping: The Softer Side of Hu?

¶21. (C) According to Gu, Hu Jintao was toying with different models of democratic development. In December, Hu had floated an experimental balloon with his approval of the publication of the book "Democracy is a Good Thing." Gu referred to the author of the book, Yu Keping, as "the liberal face of Hu Jintao," noting that whenever Hu hesitated on political reform, Yu was there to push him forward. Gu said that with the "Democracy" book, Yu was speaking for Hu Jintao on some level. He said it was important to note that Yu's article on democracy by the same title (in actuality, the preface to the book) was first published by the Beijing Party newspaper and later carried in the Central Party School newspaper, Xuexi Shibao.

¶22. (SBU) In his article, Yu called for greater democracy, arguing that it was "indispensable" for "building a socialist modern strong country with Chinese characteristics." Democracy, Yu said, "guarantees people's basic human rights...and embodies the basic values of human beings." It provides a check against corrupt officials who would be "subject to the restraints of the citizenry." It is "an inevitable trend in all countries of the world." However, the particular type of democracy that manifested in any given country was "closely related to the economic system and the economic development level, the geopolitical and international environment of a country," as well as its "political and cultural traditions, the quality of political figures and citizens, and the habits of the citizenry in their daily lives." Yu also argued that to be true democracy, the political system needed to be chosen by the people of a country, without having it foisted on them by the leaders of the country or by the leaders of another country. Although democracy was not perfect, Yu continued, and was subject to "repeated deliberation and discussion," it was the political system that had "the least defects" and was "the best political system in human society." (Note: Yu did not clearly spell out what sort of democracy he was advocating. End note.)

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¶23. (C) During a January 22 discussion, Tongji University Professor Frank Peng said that Yu's article was "the most important statement on the subject of Chinese democracy." Peng perceived the article as extremely progressive and interpreted

its publication as a trial balloon from Hu on future political reform. During a February discussion, Shanghai Municipal People's Congress researcher Ms. Zhou Meiyuan explained that Yu was advocating the introduction of real multi-party democracy, not the "representational" democracy China already had, through its People's Congress and Chinese People's Political Consultative Conference systems.

¶24. (S) Gu said he was on good terms with Yu and that Yu had consulted with him via email as he was writing his "Democracy" book. Yu was originally from Zhejiang and did his undergraduate work in Fujian. He was later a doctoral candidate at Beijing University (Note: According to the cover of Yu's book, he received his in Political Science PhD from Beijing University in 1988. The blurb describes him as one of the first generation of Political Science PhD's trained in China. End note.). From there, he became Director of the Beijing University Center for Political Research and Reform before moving to CETB. Hu's advisors recommended Yu to Hu as a capable scholar with good ideas. Three to five months after taking the reins of power, Hu promoted Yu to be CETB Deputy Director. According to Gu, Yu and his friends at Beijing University, together with a group of scholars within the Communist Youth League, had formulated Hu's democratic and Harmonious Society theories.

¶25. (C) Contrary to Gu, Ms. Zhou said she had heard from her contacts in Beijing that by the end of 2006, Yu was no longer a member of Hu's "inner circle." She noted, for instance, that he was not on the 17th Party Congress Preparatory Committee. Moreover, the Central Editing and Translation Bureau had also fallen in importance and influence. Because of this, Zhou assessed, Yu felt free to write his tome on democracy, something he would not have risked if he were still close to Hu. Zhou thought the article was an important touchstone but was not clear if it truly represented Hu's beliefs. Zhou said that in contrast, Xia Yong, a scholar with the Chinese Academy of Social Sciences Law Institute, was a close advisor to Hu. During a March 23 meeting with Poloff, Gu defended his position, noting that for the year prior to Hu's U.S. visit, Hu had distanced himself from Yu due to pressure from party leftists. Yu was brought back into Hu's fold shortly after the visit. If Hu truly did not condone Yu's writings, Gu reasoned, it would have made more sense for Yu to have written his article during that period.

Democracy and the Anhui Gang

¶26. (C) In pointing to other possible democratic influences on Hu, Weyerhaeuser's Zhang discussed the existence of what he referred to as the "Anhui Gang," a loose coalition of political operators whose families, like Hu Jintao's, hailed from Anhui province. These people had also all served with Hu during his time in Tibet. Zhang described the period as a particularly formative period in the group members' political thinking and added that during their Tibet days, they had all regularly discussed their ideas about political reforms. Zhang, who is close friends with one of the members of the group (Sage Ni, a wealthy entrepreneur/philanthropist from Anhui currently living in Suzhou), said that during that period, Hu--a member of the group--had expressed his deep dissatisfaction with the Communist Party. Hu also reportedly said, however, that since there was no alternative, the best course was to try to reform it from within. Although it is unclear to what extent the group still shares the same agenda with Hu, Zhang said that the members still periodically get together in Anhui--absent Hu--to discuss political issues. Moreover, most of them are currently in Beijing, serving in government-affiliated think tanks and research bodies.

Is Democracy Really Possible? Confronting the Gorbachev Image

¶27. (C) Although our contacts remained relatively positive about the prospects for democratization, it was not without caveat. While some contacts asserted that once Hu consolidated

power he would push forward reforms, not everyone was convinced

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he would be able to do so. During a May 11 discussion, Deputy Director of Shanghai's Office of Financial Services Fang Xinghai said that even after Hu consolidated his power, he would not be able to wield complete control over the direction of policy, needing to accommodate "other interest groups."

¶28. (C) Ms. Zhou pointed out that even if the goal of Harmonious Society was to establish real democracy, there appeared to be little interest among China's political leadership at the present to move in that direction. A late 2006 poll conducted by the Central Party School (CPS) found that 84 percent of CPS students did not care about political reform. Stability and economic development topped the list of concerns. Zhou said that these students were representative of the Chinese government as a whole.

¶29. (C) Gu opined that Hu really desired to change things after the 17th Party Congress. He said that once he was secure in his second term, there would likely be "big changes." By December 2008, Gu expected to see competition in elections for party officials and various other institutional reforms. He believed, however, that Hu's democratic legacy would have its limits. Gu said that Hu was not likely to try implementing multi-party democracy during his tenure, noting that Hu had neither the time nor the "guts" to do so. Hu did not want to be seen as China's Gorbachev. Gu said Hu's successors would be able to build on Hu's legacy to implement more sweeping changes in the future.

¶30. (C) During a May 15 discussion, Dean of Jiaotong University's International and Public Affairs School Hu Wei said he did not foresee a chance for multi-party democracy in the next 20 years. Where Gu saw "big changes," Hu saw relatively minor progress compared to Western countries such as the United States. Professor Hu expected that there would be many new ideas on political reform promulgated, but that real implementation would be incremental and limited. He argued that real change was risky and that no one--not just Hu Jintao--wanted to be branded with the Gorbachev label.

A New Ideology in the Wings?

¶31. (C) SASS Professor Cheng predicted that the next ideological formulation to be advanced, perhaps by Hu after the 17th Party Congress, would deal more comprehensively with the interaction between the state, the market economy, and society. More importantly, this future doctrine would deal directly with the issues of democracy and public participation, integrating them into the themes of Harmonious Society and Scientific Development. He noted that the party, while touting a "harmonious society" had not yet come up with a doctrine for a "harmonious government," but he felt that this was the next logical and probable step. Such a formulation would be used to justify political reform.

JARRETT